

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7174

BILL NUMBER: SB 269

DATE PREPARED: Dec 28, 1998

BILL AMENDED:

SUBJECT: Repairs under Auto Insurance Policies.

FISCAL ANALYST: Alan Gossard

PHONE NUMBER: 233-3546

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill prohibits a motor vehicle insurer from unreasonably restricting an insured's access to motor vehicle glass repair or replacement facilities. It allows a motor vehicle insurer to enter into agreements with motor vehicle glass repair or replacement facilities for cost containment purposes. The bill also prohibits a motor vehicle insurer from requiring unreasonable travel to obtain repair or replacement of a motor vehicle. It also requires a motor vehicle insurer's estimate to be in an amount expected to satisfactorily repair damages and to be provided to the insured. The bill also requires a motor vehicle insurer to cause repair of a motor vehicle to its previous condition without additional costs and within a reasonable time. Violation of these provisions is an unfair claim settlement practice.

Effective Date: July 1, 1999.

Explanation of State Expenditures:

Explanation of State Revenues: This bill makes violation of its provisions an unfair claim settlement practice. As such the Commissioner of the Department of Insurance may at his or her discretion order one or more of the following: (1) Payment of a civil penalty of up to \$25,000 for each violation (but not to exceed \$100,000 in any 12 month period) unless the person knew or reasonably should have known that he was in violation of this chapter. In that case the penalty may be not more than \$50,000 for each violation (but not to exceed \$200,000 in any 12 month period). Civil penalties would be deposited into the state General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Insurance

Local Agencies Affected:

Information Sources: